

## Message Text

CONFIDENTIAL

PAGE 01 LA PAZ 04555 01 OF 02 131807Z  
ACTION ARA-14

INFO OCT-01 ISO-00 ARAE-00 SSO-00 NSCE-00 INRE-00  
USIE-00 PM-04 NSC-05 SP-02 SS-15 PA-01 PRS-01  
CIAE-00 INR-07 NSAEC-00 DHA-02 ACDA-07 MC-02 AID-05  
IGA-02 /068 W  
-----131828Z 052038 /43

O R 131735Z JUN 77  
FM AMEMBASSY LA PAZ  
TO SECSTATE WASHDC IMMEDIATE 5760  
INFO AMEMBASSY LIMA  
AMEMBASSY SANTIAGO

C O N F I D E N T I A L SECTION 1 OF 2 LA PAZ 4555

FOR ASSISTANT SECRETARY TODMAN

E.O. 11652: GDS  
TAGS: PFOR, BL, CI, PE  
SUBJECT: VIEWS ON REGIONAL ISSUES

1. ON JUNE 11, I HAD LONG CONVERSATION WITH BOLIVIAN FOREIGN MINISTER, GENERAL OSCAR ADRIAZOLA, ABOUT MATTERS OF CONCERN IN SOUTHERN CONE. I HAD SOLICITED APPOINTMENT TO TAKE MY LEAVE FORMALLY. HE ASKED ABOUT MY REPLACEMENT, EXPRESSING HOPE OF GOB THAT THERE NOT BE A LONG GAP WHICH WOULD FUEL PUBLIC SPECULATION. I SAID THAT NO ONE HAD YET BEEN NAMED BUT THAT I WAS SURE THAT USG WOULD PROPOSE A HIGHLY QUALIFIED PERSON VERY SOON.

2. ADRIAZOLA SAID HE WAS LOOKING FORWARD TO MEETING SECRETARY VANCE (BILATERAL SCHEDULED JUNE 15 AT 1410) AND THE OPPORTUNITY TO SET FORTH BOLIVIAN VIEWS ON DEVELOPMENTS IN SOUTHERN CONE, REST OF LATIN AMERICA, AND US ROLE. FIRST, HE SAID HE WISHED TO TELL ME ABOUT HIS TRIP TO LIMA AND SANTIAGO. HE SAID RESULTS OF VISITS WERE POSITIVE, THAT HE HAD TAKEN ACCESS TO THE SEA MATTER OUT OF THE FREEZER AND ACHIEVED TWO JOINT

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DECLARATIONS SUPPORTING THE BOLIVIAN DESIRES. HE SAID HE FELT IT IMPORTANT FOR THE US TO KNOW SOMETHING OF HIS TALKS WITH PRESIDENT MORALES BERMUDEZ OF PERU AND PINOCHET OF CHILE.

3. MORALES TOLD HIM THAT PERU HAS NO BELLOCOSE INTENTIONS AND THAT ITS ARMS BUILD-UP IS PURELY DEFENSIVE. MORALES SAID PERU MAY HAVE ARMS ADVANTAGE OVER CHILE AT THIS TIME BUT

COULD NOT EXPECT TO HOLD THAT SUPERIORITY AFTER A CONFLICT AND THAT IF PERU WENT TO WAR AGAINST CHILE, THERE WOULD BE ANOTHER LONG PERIOD OF FRICTION AND TENSION. PERU WOULD GAIN LITTLE BY UNDERTAKING AN ARMED CONFLICT. MORALES SAID PERUVIANS ARE NOT WARLIKE PEOPLE BUT CHILEANS ARE. HE SAID PERU'S ECONOMIC SITUATION WOULD NOT PERMIT GOP TO UNDERTAKE A WAR. ALSO TOLD ADRIAZOLA THAT GOP HAS NOW GREAT DIFFICULTIES WITH ITS OWN PEOPLE. GENERAL ADRIAZOLA SAID GOP HAD HAD 16-HOUR CABINET MEETING DAY OR TWO BEFORE HIS ARRIVAL TO DISCUSS PACKAGE OF TOUGH ECONOMIC MEASURES TO BRING COUNTRY OUT OF ITS MESS. MORALES EMPHASIZED PERU COULD NOT POSSIBLY START WAR BECAUSE OF ITS ECONOMIC PROBLEMS. HE ALSO SAID ARMS ACQUIRED FROM SOVIET UNION WERE VIRTUALLY GIFTS. ACCORDING BOLIVIAN FOREIGN MINISTER, PERUVIAN SOURCES TOLD HIM SOVIET EQUIPMENT PURCHASED AT ABOUT 25 PERCENT ACTUAL VALUE. A SMALL CASH PAYMENT WAS MADE AS A TOKEN AND THE LONG-TERM PAYMENTS ARE TO BE IN RAW MATERIALS. MORALES ALSO SAID THAT PERU FORCED INTO DEAL WITH SOVIET UNION BECAUSE US HAD REFUSED TO SELL F-5 AIRCRAFT IN LATE 1960S THUS OPENING DOOR TO FRENCH FOR MIRAGE SALES WHICH IN TURN FACILITATED SOVIET SALES.

4. AS TO GOP VIEW ON ACCESS TO SEA, FOREIGN MINISTER SAID PRESIDENT MORALES SAID PERU HAS NO SERIOUS REVANCHIST SYNDROME, AND THAT MATTER SHOULD BE SUSCEPTI<sup>3</sup> 59 ,3&958-589. HE SUGGESTED THAT AN EXCELLENT PRELIMINARY STEP WOULD BE A TRIPARTITE NONAGGRESSION PACT. MORALES SUGGESTED THAT BOLIVIA ESPOUSE THIS AND IF THE THREE COULD WORK IT OUT, THE ACCESS TO THE SEA WOULD BE MUCH EASIER TO NEGOTIATE.

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5. ADRIAZOLA THEN TOLD ME A BIT ABOUT HIS CONVERSATIONS WITH THE CHILEANS. HE SAID HE FOUND PRESIDENT PINOCHET TO BE THE ANTITHESIS OF THE MONSTER HE HAS BEEN ACCUSED OF BEING BY NEWSPAPERS IN MANY CITIES IN THE WORLD. HE SAID HE TOLD PINOCHET ABOUT MORALES BERMUDEZ' REMARKS DISCLAIMING ANY WARLIKE INTENTIONS AND ASSERTING LEGITIMATE DEFENSE AS A JUSTIFICATION OF PERU'S MASSIVE ARMS BUILD-UP. PINOCHET, HE SAID, TOLD HIM THAT THE PERUVIANS ARE DISSEMBLING. HE SAID WITH ABOUT ONE-FOURTH OF ITS PRESENT ARMS STRENGTH PERU COULD ADEQUATELY DEFEND ITSELF. HE SAID CHILE WOULD REMAIN ON GUARD, EVER ALERT, BECAUSE IT FELT THAT THE COMBINATION OF SOVIET ARMS AND THE LONG-HELD REVANCHIST SENTIMENT WOULD PROPEL PERU TO ATTACK CHILE. ADRIAZOLA RAISED THE IDEA OF A TRIPARTITE PACT, WHICH PINOCHET TOTALLY SUPPORTED. ACCORDING TO THE BOLIVIANS, PINOCHET SUGGESTED THAT PRESIDENT BANZER ADOPT THIS AS PUBLIC INITIATIVE BECAUSE BOLIVIA IS ABSOLUTELY CLEAN ON ARMS PURCHASES. ADRIAZOLA INTENDS TO TRY TO PERSUADE BANZER OF THE DESIRABILITY OF THIS COURSE OF ACTION. POSSIBLY THE OAS MEETING IN GRENADA WILL SEE THE BOLIVIANS SOUNDING OUT THEIR

COLLEAGUES FOR SUPPORT. ADRIAZOLA SAID THE USG HAS A MAJOR ROLE TO PLAY IN ALL THIS. I ASKED EXACTLY WHAT HE HAD IN MIND. HE REPLIED THAT WE SOULD PLAY A QUIET BUT MORE ACTIVE ROLE IN THE SOUTHERN CONE. HE SAID PERUVIAN ARMS BUILD-UP IS MAJOR PROBLEM TO PEACE. HE SAID WE SHOULD BE CONDUCTING FREQUENT DEEP CONSULTATIONS AT HIGH LEVELS SHOWING OUR CONCERN ABOUT POSSIBLE CONFLICTS BUT MORE IMPORTANTLY WE SHOULD MODIFY OUR ARMS POLICIES LEST THE SOVIENTS EXPAND FROM THEIR PERUVIAN AND CUBAN BEACHHEADS.

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-----131827Z 052223 /43

O R 131735Z JUN 77  
FM AMEMBASSY LA PAZ  
TO SECSTATE WASHDC IMMEDIATE 5761  
INFO AMEMBASSY LIMA  
AMEMBASSY SANTIAGO

C O N F I D E N T I A L SECTION 2 OF 2 LA PAZ 4555

FOR ASSISTANT SECRETARY TODMAN

6. ADRIAZOLA SAID THAT THE USG SHOULD ADOPT A MORE OPEN ARMS TRANSFER POLICY FOR LATIN AMERICA, BASED ON A WILLINGNESS TO SELL DEFENSIVE EQUIPMENT AT REASONABLE TERMS WITH FAST DELIVERY TIME. HE SAID WE SHOULD NOT SELL OFFENSIVE MATERIAL BUT SHOULD NOT CONTINUE WITH OUR PRESENT ACROSS-THE-BOARD NEGATIVE POLICIES WHICH ARE PERCEIVED AS BEING ARBITRARY, INFLEXIBLE, AND AS ACTUALLY FAVORING EXPANDED SOVIET ARMS SALES. HE SAID HE FEARS THAT IF ANOTHER COUNTRY FALLS FOR SOVIET BLANDISHMENTS, AFTER BEING OR FEELING REBUFFED BY THE USG, THE HEMISPHERE WILL THEN GRADUALLY FALL UNDER SOVIET INFLUENCE. HE CITED THE PROBLEM MORALES BERMUDEZ HAS IN PERU, TRYING TO PULL AWAY FROM THE SOVIET ORBIT BUT FINDING THAT IT IS DEPENDENT ON USSR FOR SPARE PARTS FOR ITS TANKS AND AIRCRAFT AND ALSO FOR CONTINUED TECHNICAL ASSISTANCE. ADRIAZOLA SAID MORALEZ TOLD HIM PERU WOULD NOT BUY ONE MORE PIECE OF EQUIPMENT FROM THE SOVIETS BUT COULD NOT REDUCE CONTACTS BECAUSE OF THE SPARE PARTS

PROBLEM. ACCORDING TO THE BOLIVIAN, LATIN AMERICA HAS TO BE DEPENDENT ON OUTSIDE SUPPLIER AND WOULD BE BETTER OFF BEING DEPENDENT ON THE US THAN THE USSR. THUS, HE SAID, WE SHOULD CHANGE OUR ARMS SALES POLICIES.

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7. IN CONCLUDING OUR TALK, FONMIN SAID HE LOOKED FORWARD TO SEEING ASSISTANT SECRETARY TODMAN AGAIN AND TO TALKING WITH SECRETARY VANCE.

8. EOMMENT: I HAVE REPORTED CONVERSATION AT LENGTH AS A MATTER OF INTEREST, PARTICULARLY ON EVE OF OAS MEETING. IT SEEMS TO ME THAT BOLIVIAN IS RIGHT THAT WE SHOULD UNDERTAKE QUIET PEACEKEEPING EFFORT, PERHAPS AS THEME IN SECRETARY'S BILATERALS AT OAS. TH IS

WOULD FOLLOW ON ARA TALKS WITH AMBASSADORS IN WASHINGTON. WE MIGHT NUDGE ALONG IDEA OF NONAGGRESSION PACT WHICH HAS MORE APPEAL THAN ARMS LIMITATION. LATTER, IF EFFECTIVE, WOULD ONLY TEND TO RETAIN PERUVIAN ARMS ADVANTAGES, WHICH IS CLEARLY AN UNSETTLING FACTOR IN SUBREGION. THE EMPHASIS ON SPECIAL DEFENSIVE ARMS POLICY FOR LATIN AMERICA SEEMS INTERESTING AND WORTH STUDY.

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## Message Attributes

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**TAGS:** PFOR, PARM, BL, CI, PE, US, (ADRIAZOLA VALDA, OSCAR), (STEDMAN, WILLIAM PERRY JR)  
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